## Instructional Unit Title: So, You Want to Be a Millionaire?

Social Studies High School – Economics (Personal Financial Literacy)

The teacher may engage students in a brainstorming session so that students can review basic economic and personal financial literacy concepts (e.g. economic indicators, credit, debt, scarcity) as they relate to financial wealth/health.

The teacher may provide salary statistics, types of jobs, etc. so that students can explain how an investment in education and/or training provides a basis for obtaining and increasing an income over time.

The teacher may facilitate a discussion so that students can demonstrate how goal setting and budgeting decisions are necessary for building personal wealth.

The teacher may provide banking services brochures so that students can research the range of services banks offer to assist customers in managing money and growing wealth.

**b** 

The teacher may provide information illustrating the different types of savings instruments (e.g. savings accounts, money markets, CD's, savings bonds) so that students can differentiate between the various types of savings plans and investments.



The teacher may provide scenarios illustrating financial risk so that students can evaluate risk for the purpose of protecting future financial growth and mitigate a possible financial crisis.

The teacher may engage students in a stock market simulation so that students can understand how to grow wealth through investments and by mitigating risk through diversification (e.g., stocks, real estate, commodities, bonds, mutual funds, IRA, 401K).

The teacher may bring in guest speakers (e.g., financial planner, investment planner, representative from Federal Reserve Bank) so that students can report on money management strategies for managing and growing wealth.

The teacher may provide examples of varying credit reports, so that students can understand the importance of a good credit history for future employment, loans, investments, and management of risk.

The teacher may engage students in a WebQuest so that students can analyze the advantages and disadvantages of credit as a method of spending money.



The teacher may provide examples of different types of insurance (e.g., auto, property, health, life) so that students understand that purchasing insurance is a risk management strategy that protects personal wealth.



The teacher may facilitate a discussion on how to protect personal financial information, so that students can understand measures necessary for protecting against identity theft and fraud.



The teacher may provide scenarios of individuals in financial trouble so that students can develop strategies for repairing credit history, getting debt relief, and rebuilding wealth.



**PERFORMANCE ASSESSMENT:** Researchers from the National Endowment for Financial Education (NEFE) estimate that 70 percent of people who unexpectedly come into large sums of money end up broke within seven years. You have recently won \$150,000 in the Colorado state lottery! Exciting and scary at the same time! Can you turn your winnings into \$1,000,000? With some wise financial decisions you have the potential to achieve this goal! To get there, you will need to develop a sound financial plan that takes into account the following:

Section 1: Financial Goals - Develop both short term and long term goals (including time frame) for your winnings

Section 2: Cost – Benefit Analysis – Based on your financial goals, answer the following question: Do you want to take a lump sum or take the payout over 5 years?

Section 3: Investment Strategies – What you would invest in (bonds, stocks, etc.) and provide a rationale for each investment (e.g. interest rate, how much to invest, terms of investment, and return on investment, risk, etc.). You should be sure to include charts and graphs illustrating the data for your investments.

This unit was authored by a team of Colorado educators. The unit is intended to support teachers, schools, and districts as they make their own local decisions around the best instructional plans and practices for all students. To see the entire instructional unit sample with possible learning experiences, resources, differentiation, and assessments visit http://www.cde.state.co.us/standardsandinstruction/instructionalunitsamples.